7/29/77 [2]

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THE PRESIDENT'S SCHEDULE

Friday - July 29, 1977

7:30	Breakfast with Vice President Walter F. Mondale, Secretary Cyrus Vance, and Dr. Zbigniew Brzezinski - The Roosevelt Room.
8:30	Dr. Zbigniew Brzezinski - The Oval Office.
9:00	Mr. Frank Moore - The Oval Office.
9:30 (15 min.)	Ambassadors Ellsworth Bunker and Sol Linowitz et al. (Dr. Zbigniew Brzezinski). The Oval Office and Cabinet Room.
10:00 (30 min.)	Presentation of Diplomatic Credentials. (Dr. Zbigniew Brzezinski) - The Oval Office.
10:45	Mr. Rex Granum - The Oval Office.
11:00 (20 min.)	Mr. Charles Schultze - The Oval Office.
Í-	
12:55 (3 min.)	Mr. George Parker. (Mr. Hugh Carter). The Oval Office.
1:00 (30 min.)	Meeting with Editors. (Mr. Rex Granum). The Cabinet Room.
1:45 (15 min.)	Dr. Peter Bourne - The Cval Office.
2:00 (30 min.)	Mr. Henry Grunwald, Managing Editor, TIME. (Mr. Rex Granum) - The Oval Office.
2:45 (15 min.)	Dr. Arthur F. Burns - The Oval Office.

	FOR	STAFFING	
T	FOR	INFORMATION	
X	FROM	PRESIDENT'S	OUTBOX

THE WHITE HOUSE

July 29, 1977

Stu Eizenstat Frank Moore

The attached was returned in the President's outbox. It is forwarded to you for appropriate handling.

Rick Hutcheson

cc: Jack Watson

RE: CALL TO SENATOR EASTLAND

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON
July 29, 1977

She - Frank
He's glad to
housed

MEMORANDUM FOR:

THE PRESIDENT

FROM:

FRANK MOORE ~ STU EIZENSTAT

SUBJECT:

Call to Senator Eastland

Your meeting with Congressman Rodino has had the desired effect: he has agreed to introduce our aliens bill, while indicating his differences in a separate statement. We will be working with his and Eilberg's staff in preparing the Message to Congress, now scheduled for announcement by Judge Bell and Secretary Marshall next Thursday.

In the Senate, we would like to have Eastland, as the Judiciary Committee chairman, and Kennedy, as some one with enormous standing in the Hispanic community, introduce our bill. Kennedy has already agreed to do so, though he too will indicate some differences in a separate statement.

Although the Attorney General, Secretary Marshall and Stu met with Eastland last week to seek his support, Eastland has not yet agreed to introduce our bill. He seems favorably inclined, but is concerned about two aspects of our proposal. First, he wants to make certain that the H-2 temporary worker program will be improved. In Eastland's view, that program has been poorly administered by the Labor Department, for it takes so long certifying the unavailability of domestic workers (and thus the need for temporary foreign workers) that crops go unpicked. He would like the certification process to be completed within a 30-day period, instead of the existing 60-day period.

While our proposal does not yet include the shortened period sought by Eastland, it does indicate that we will make administrative improvements to ensure foreign workers will be certified if domestic workers are unavailable. Ray Marshall is now willing, though, to make statutory improvements in H-2, including the lowering of the certification period to 45 days, though that has not been communicated yet to Eastland.

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The second, though clearly less important, issue of concern to Eastland is the granting of non-deportable status. He regards that as being as effective as amnesty and sees no real need for it; he would prefer doing nothing to adjust the status of those here since 1970, other than increasing deportation efforts.

Talking Points

- 1. You know that he has met with Judge Bell, Secretary Marshall and Stu recently and you appreciate the guidance he gave them.
- 2. You recognize that he may have some differences with our proposed aliens proposal, but you hope he will introduce it for the Administration, state his differences, hold prompt hearings, and help pass the proposal.
- 3. You understand that he is concerned with the temporary worker part of the proposal, and you would like to have Secretary Marshall work with him on improvements. If he would prefer, the Message could be vague on this subject; differences could be resolved as the bill is drafted for introduction when Congress returns in September.
- 4. You also understand he is concerned about granting non-deportable status for five years for those in the country since 1970 believe nothing less will allow us to know, through registration, how many illegal aliens are in this country. The non-deportables will not be entitled to citizenship or welfare. No one will receive the status who entered the country since January 1, 1977.

washington
July 29, 1977

Stu Eizenstat

The attached was returned in the President's outbox. It is forwarded to you for appropriate handling.

Rick Hutcheson

cc: Frank Moore
Jack Watson
Bert Lance
Esther Peterson

RE: CONSUMER PROTECTION AGENCY

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	_	IMI
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ENROLLED BILL
AGENCY REPORT
CAB DECISION
EXECUTIVE ORDER
Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

ARAGON
BOURNE
BRZEZINSKI
BUTLER
CARP
H. CARTER
CLOUGH
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	WARREN

THE PRESIDENT HAS SEEN. If Su, to me. My
THE WHITE HOUSE St. ef experience shows
WASHINGTON Weakened 6,1/s have
July 26, 1977 Not much more chance—
May This WILL Work

J

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT ESTHER PETERSOFRANK MOORE

SUBJECT:

Consumer Protection Agency

We have had lengthy conversations regarding the Consumer Protection Agency. As you will remember in a recent memorandum, you gave Esther latitude to attempt to negotiate the best deal possible on the agency.

We feel that since Senator Byrd will not move this in the Senate, we must make an effort to have it passed in the House. (Esther believes we are about 35 votes short in the House.) Its prospects will be better this year than in an election year.

We met on July 21 with the Speaker and he has agreed to help with the following strategy, if you approve:

- 1. We will obtain a Democratic and Republican supporter of the bill to negotiate (on our behalf) with those who are opposed to or leaning against the agency, rather than doing the negotiating ourselves.
- 2. Esther and Stu will meet with Steering Committee during the week of July 25 to get soundings.
- 3. It would only fuel the opposition if we publicly admit now any willingness to compromise on certain portions of the bill. However, we are discussing on a strictly confidential basis with several key people the possibility of "giving" on the following points when the bill hits the floor:
 - A. Delete the authority of the agency to issue interrogatories—a major sticking point with the opponents.

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- B. Permit the agency to seek judicial review only in instances when it has participated in the proceeding at the agency level—as currently drawn in the pending legislation, the agency could seek review even in situations where it had not participated at the agency level.
- C. We would redesignate the name of the agency as the Office of Consumer Participation, to get away from the concept that a new "agency" was being created.
- D. The authorization for the first year would be reduced with a five year authorization as follows:

FY FY FY	1978 1979 1980 1981 1982	\$17 \$23 \$25	7 3 5	million million million million million	may	h.7h
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E. It is our understanding Bert Lance will announce on August 1 the reorganization plan under which 18 units and 12 advisory committees would be consolidated into this new Office of Consumer Representation. Since this comes the day of a Cabinet meeting, we recommend you mention the reorganization in your remarks to the Cabinet.

This will not endear us to Ralph Nader who will likely blast our attempt to compromise. It is our feeling that it is better to get some agency passed out of the House this year and then attempt to strengthen its powers in the Senate.

We would add that giving up the items listed above may still not be enough to pass this bill in the House. If we find this to be the case, we will be back to you with regard to our further strategy.

Attached is a copy of the notation we would give to the Speaker.

Bert Lance and Harrison Wellford received a copy of this memo and have no comment.

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MAJOR CHANGES IN EXISTING CONSUMER PROTECTION AGENCY BILL

- 1) Delete authority for agency to issue interrogatories.
- 2) Allow agency to seek judicial review only when it has participated in the proceeding of the other agency for which judicial review would be sought.
- 3) Reduce the authorization for the first year and provide a five year authorization as follows:

1978	\$13	million
1979	\$17	million
1980	\$23	million
1981	\$25	million
1982	\$25	million
	1978 1979 1980 1981 1982	1979 \$17 1980 \$23 1981 \$25

- 4) Redesignate the agency as the Office of Consumer Participation
- 5) Consolidate 18 units and 12 advisory committees into new Office of Consumer Participation with saving of \$10 million by eliminating duplicative functions.

THE WHITE HOUSE WASHINGTON
July 27, 1977

The Vice President Hamilton Jordan Jack Watson

The attached is forwarded to you for your information. If you wish to comment, please call my office (X 2710) by 12:00, Thursday, July 28.

Rick Hutcheson

RE: CONSUMER PROTECTION AGENCY

July 29, 1977

Bob Lipshutz

The attached was returned in the President's outbox and is forwarded to you for your information. The signed original has been forwarded to Bob Linder's office for appropriate handling.

Rick Hutcheson

cc: Bob Linder

RE: EXECUTIVE ORDER - EXEMPTION OF JOSEPH MINETTI FROM MANDATORY RETIREMENT





	FOR STAFFING
	FOR INFORMATION
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	LOG IN/TO PRESIDENT TODAY
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1	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
,	EXECUTIVE ORDER
	Comments due to
	Carp/Huron within
	48 hours; due to
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	next day

ARAGON
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PETTIGREW
POSTON
PRESS
SCHLESINGER
SCHNEIDERS
STRAUSS
VOORDE
WARREN

WASHINGTON

July 28, 1977

MEMORANDUM FOR THE PRESIDENT

FROM:

BOB LIPSHUTZ

MARGARET MCKENNA

SUBJECT:

Proposed Executive Order Entitled "Exemption of Joseph G. Minetti from

Mandatory Retirement"

This proposed Executive Order would exempt Joseph G. Minetti from mandatory retirement for two months, until September 30, 1977. The exemption would allow time for his successor to be confirmed by the Senate.

We and Frank Moore recommend that you sign the attached Order.

Attachment

Mr. President:

Jordan, Lipshutz and King concur with Frank Moore's recommendation.

The Counsel's office notes that it is important that we be sure Minetti is willing to serve for the limited extended period after he is notified that a longer extension will not be granted.

Rick

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WASHINGTON

July 19, 1977

MEMORANDUM TO THE PRESIDENT

THROUGH FRANK MOORE FM.

FROM BOB THOMSON

RE: WAIVER OF AGE RESTRICTIONS ON CAB MEMBER JOE MINETTI

Senator Cannon, through Subcommittee counsel, Bob Ginther, has requested that you waive the age restrictions on CAB member, Joe Minetti, until Don Tucker, his designated replacement, is confirmed. Mr. Minetti was 70 in April. The required 60-day notice has been issued, and his service will terminate July 31 unless you take action.

For obvious reasons, we recommend that a waiver with a term contingent on future Senate action not be granted. However, we do recommend a one-time waiver be granted to Mr. Minetti, such waiver to terminate on September 30, 1977. This date is three weeks after the Committee's September 13 hearings on Tucker--sufficient time for the Committee and the Senate to act on the nomination. Alfred Kahn strongly supports such a waiver to keep the CAB at full strength during the Tucker nomination fight.

As indicated by our previous memorandum, Don Tucker has serious opposition within the Commerce Committee. At a closed session last week, the Committee voted to conduct an independent investigation of Mr. Tucker and set a hearing date of September 13. Since Mr. Minetti has good friends on the Committee (including Senator Cannon), an open-ended waiver would be an invitation for the Committee to take the nomination under advisement indefinitely.

However, we believe granting a one-time waiver terminating on a date certain would allow the Minetti friends a place to stand with the incumbent without providing an inducement to delay the Tucker nomination further. It would also allow the CAB to function with full membership, a matter of primary concern to Chairman Kahn.

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Another alternative is not to issue the waiver and terminate Mr. Minetti's service as of July 31. The idea would be to increase the pressure on the Committee to act on Tucker.

However, the Committee schedule is firmly established and will not be affected by failure to issue a waiver. In our estimation, Minetti friends on the Committee would be annoyed and Chairman Kahn would be left with a four-member Board that is likely to deadlock two-to-two on some important issues.

The following alternatives are for your consideration.

Issue a one-time waiver to Mr. Minetti, such waiver to terminate on September 30, 1977. This is the recommended alternative.

Issue a waiver that shall terminate at the time the Senate confirms a replacement for Mr. Minetti.

term of service to expire July 31.

Stu, Hamilton and Bob Lipshutz for comment.

Take	no	action,	thereby	allowing	Mr.	Minetti's
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We have asked Rick Hutcheson to distribute this memorandum to

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EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

July 26, 1977

MEMORANDUM FOR:

BOB LIPSHUTZ

FROM:

Subject: Proposed Executive Order Entitled "Exemption of Joseph G. Minetti from Mandatory Retirement"

Enclosed is the above entitled proposed Executive order. It was prepared in this office at the oral request of the Presidential Personnel Office.

We have been advised that Joseph G. Minetti was born on April 21, 1907, and although 70 years of age on April 21, 1977, he was not advised, as required by 5 U.S.C. 8335(b), of his mandatory retirement date until on or about May 5, 1977. In accord with 5 U.S.C. 8335(b) and 8335(a), Joseph G. Minetti thus would be automatically retired on the last day of the second month following notification of his mandatory retirement. Therefore, Joseph G. Minetti will now automatically be retired on July 31, 1977, unless he is exempted by Executive order.

The proposed order would exempt Joseph G. Minetti from mandatory retirement for two months - until September 30, 1977. This exemption in the public interest will provide time for his successor to be confirmed by the Senate.

Time has not permitted formal submission to the Department of Justice in accordance with the provisions of Executive Order No. 11030, as amended. However, an attorney in that Department, who normally reviews proposed Executive orders and proclamations for form and legality, has reviewed this proposed Executive order and has informally advised that there is no legal objection to its issuance.

It is urged that this proposed order be promptly submitted for the President's consideration so that action may be taken prior to the end of July 1977, or Mr. Minetti will automatically be mandatorily retired on July 31, 1977.

The proposed Executive order has the approval of the Director of the Office of Management and Budget.

Enclosure

cc: Mr. Robert D. Linder - The White House Ms. Diana Rock, Presidential Personnel Office

EXECUTIVE ORDER

EXEMPTION OF JOSEPH G. MINETTI FROM MANDATORY RETIREMENT

Joseph G. Minetti, Member, Civil Aeronautics Board, will become subject to mandatory retirement for age on July 31, 1977, under the provisions of Section 8335 of Title 5 of the United States Code unless exempted by Executive order.

In my judgment, the public interest requires that Joseph G. Minetti be exempted from such mandatory retirement.

NOW, THEREFORE, by virtue of the authority vested in me by subsection (c) of Section 8335 of Title 5 of the United States Code, I hereby exempt Joseph G. Minetti from mandatory retirement until September 30, 1977.

Timmy Carta

THE WHITE HOUSE,

30

FOR INFORMATION:

Date: July 20, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat
Hamilton Jordan toum
Bob Lipshutz common pun common t
Jim King corcur option # (

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Moore's memo dated 7/19/77 re waiver of age restrictions

on CAB member Joe Minetti.

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME: 12:00 NOON

DAY: Friday

DATE: July 22, 1977

ACTION REQUESTED: X Your comme	ents
Other:	

STAFF RESPONSE:	
I concur.	No comment.
Please note other comments below:	

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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	FOR STAFFING
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1	
	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to
	Carp/Huron within
	48 hours; due to
	Staff Secretary
	next day

	ARAGON
	BOURNE
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	BUTLER
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PRESS
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SCHNEIDERS
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ENROLLED BILL
AGENCY REPORT
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SCHNEIDERS
STRAUSS
VOORDE
WARREN

Date: July 20, 1977 MEMORANDUM

FOR ACTION:

FOR INFORMATION:

No comment.

Stu Eizenstat Hamilton Jordan Bob Lipshutz Jim King

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Moore's memo dated 7/19/77 re waiver of age restrictions

on CAB member Joe Minetti.

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME: 12:00 NOON

DAY: Friday

DATE: July 22, 1977

ACTION REQUESTED:

X Your comments

Other:

STAFF RESPONSE:

X I concur.

Please note other comments below:

comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

Date: July 20, 1977 MEMORANDUM

FOR ACTION:

Stu Eizenstat Hamilton Jordan Bob Lipshutz Jim King

FROM: Rick Hutcheson, Staff Secretary

FOR INFORMATION:

SUBJECT: Moore's memo dated 7/19/77 re waiver of age restrictions

on CAB member Joe Minetti.

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME: 12:00 NOON

DAY: Friday

DATE: July 22, 1977

ACTION REQUESTED:

X Your comments

Other:

STAFF RESPONSE:

____ I concur.

___ No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

FOR INFORMATION: FOR ACTION: Stu Eizenstat Hamilton Jordan Bob Lipshutz Jim King FROM: Rick Hutcheson, Staff Secretary SUBJECT: Moore's memo dated 7/19/77 re waiver of age restrictions on CAB member Joe Minetti.

> YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME: 12:00 NOON

DAY:

Friday

DATE: July 22, 1977

ACTION REQUESTED:

X Your comments

Other:

STAFF RESPONSE:

____ I concur.

No comment.

Please note other comments below:

I concur. However, it is important that we be certain that Minetti is willing to serve for the limited extended period after we have already notified him that a longer extension will not be granted.

Mike Cardozo

7/21/77

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052) THE PRESIDENT DAY SPENE

THE WHITE HOUSE

WASHINGTON

JULY 29, 1977

MR. PRESIDENT:

Should you attend the staff picnic today, you might be interested to know that Jack Turner is here with a group of kids from Thomasville, Georgia, who will be singing during the picnic.

Jack wrote the song, "We Need Jimmy Carter" which was used as the Carter Campaign song - played on television ads, radio, the Convention, etc. He won a "Clio" award for the song which is the highest possible award for advertising.

TIM KRAFT

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Mr. President:

Frank has not called Cederberg yet, and agrees that a letter would be the best approach.

Rick

WASHINGTON

ACTION

July 29, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

ZBIGNIEW BRZEZINSKI

SUBJECT:

SEAFARER

Two days ago, you approved having Frank Moore call Cederberg to tell him your position on SEAFARER. I don't know whether that has been done yet. However, Frank Moore has assured me that effective prosecution of our interests in maintaining R&D funding for SEAFARER will require that your position be provided in a letter to Congressman Cederberg. An appropriate letter is attached.

RECOMMENDATION

That you sign the letter at Tab A.

July 29, 1977

To Congressman Elford Cederberg

I am aware of the controversy which has existed concerning the proposed extremely low frequency (ELF) system, SEAFARER and I understand your desire for assurance that such a system is essential to our national security.

I have also been following the progress that the Department of Defense has made in seeking and evaluating alternatives which may overcome those most serious objections to the very large SEAFARER system.

I believe that improved communications to our submarines will promote their survivability, mobility, and tactical usefulness and thus are essential. For this reason, I request your support for the \$20.1 million in R&D funds for SEAFARER.

I also would like to assure you that none of the \$20.1 million SEAFARER funding now under consideration in FY 78 will be used for work on a site in Michigan. These funds will, if approved, be used for equipment development which is independent of ultimate site location, and for continued operation of the Wisconsin Test Facility and related research and development efforts.

Finally, I want you to know that if we do decide to request funds for deployment of any sort of SEAFARER systems in Michigan, I will be reviewing this issue personally.

Timmy Parter

The Honorable Elford Cederberg House of Representatives Washington, D. C. 20515

WASHINGTON

July 29, 1977

MEMORANDUM FOR: THE PRESIDENT

FROM:

HENRY OWEN

SUBJECT:

Balanced Budget

The next time there is criticism that social programs are being sacrificed for a balanced budget, why don't you speak as follows at your press conference:

When I work to achieve a balanced budget, it's not because of some abstract dedication to fiscal prudence but because I know that this is indispensable to trying to reduce poverty in the US. Inflation hurts all Americans, but it hurts most those who are economically weak. The stronger groups, labor unions and big corporations, can protect themselves by raising their wages and prices. But the poor suffer -- both because what little money they have (welfare, social security, etc.) depreciates, and because of the inevitable reaction that inflation brings: deep recession. So the first prerequisite to helping the poor is to lick inflation. To do this we must ensure that by the time the current economic recovery has reached its peak in 1980-81, the US has a balanced budget. Many social programs can be mounted without doing violence to this budgetary goal. To go even further, and to mount new social programs that could only be financed by inflation would be to practice a cruel hoax on the poor: giving something with one hand and taking back even more with the other. I refuse to be a party to this kind of deception; I want to help the poor -- not merely to seem to be helping them. That's why one of my high priority goals is to balance the budget by 1980-81.

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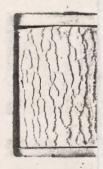
July 29, 1977

Frank Moore -

The attached was returned in the President's outbox. It is forwarded to you for your information.

Rick Hutcheson

RE: SENATOR BYRD'S LETTER ON AWACS SALE TO IRAN





		FOR STAFFING
		FOR INFORMATION
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ENROLLED BILL
AGENCY REPORT
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PETERSON
PETTIGREW
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SCHLESINGER
SCHNEIDERS
STRAUSS
VOORDE
WARREN

United States Senate Office of the Majority Tieader Washington, D.C. 20510

July 28, 1977

The President
The White House

Dear Mr. President:

We have just completed our telephonic conversation, and I want to again commend you on your action in withdrawing, temporarily, the notice of the proposed AWACS sale to Iran. Your action was reasonable and statesmanlike, and I am sure that it was difficult.

With the additional time that will now be available to the Senate, those of us who have expressed concern with respect to various aspects of the proposed sale will have the opportunity to study the facts more fully, and I believe that, in the long run, the prospects for a more favorable climate of opinion will have been enhanced by your action today.

Respectfully

Robert C. Byrd Majority Leader

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THE WHITE HOUSE
WASHINGTON
July 29, 1977

Stu Eizenstat Frank Moore Jack Watson

> The attached was returned in the President's outbox. It is forwarded to you for your information.

> > Rick Hutcheson

RE: CONGRESSMAN ASHLEY VERNON JORDAN SECRETARY ADAMS





THE WHITE HOUSE WASHINGTON

	FOR STAFFING
	FOR INFORMATION
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ENROLLED BILL
AGENCY REPORT
CAB DECISION
EXECUTIVE ORDER
Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

ARAGON
BOURNE
BRZEZINSKI
BUTLER
CARP
H. CARTER
CLOUGH
FALLOWS
FIRST LADY
HARDEN
HUTCHESON
JAGODA
KING

KRAFT
LINDER
MITCHELL
MOE
PETERSON
PETTIGREW
POSTON
PRESS
SCHLESINGER
SCHNEIDERS
STRAUSS
VOORDE
WARREN

THE PRESIDENT HAS SEEN.

done

THE WHITE HOUSE WASHINGTON

JULY 28, 1977

2:30 p.m.

MR. PRESIDENT

Congressman Lud Ashley will be coming to the Congressional Picnic tonight. Patricia Harris called to inform you that Lud has been extremely helpful with your Community Development and Housing Bill and the Urban Development Action Grant, all in conference. She just thought that Ashley would be pleased with a special comment from you acknowledging his help.

T.K.

3:32 P.M.

done VERNON JORDAN CALLED FROM NEW YORK CITY. (OPERATOR HAS NUMBER).

T.K.

THE WHITE HOUSE WASHINGTON

JULY 27, 1977

11:15 a.m.

MR. PRESIDENT

SECRETARY BROCK ADAMS CALLED.

Support T.K.
46 tay

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE WASHINGTON

July 29, 1977

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MR. PRESIDENT:

Re: Duty Free Treatment for Sugar Imports

As you requested, we will hold this until action is completed on the farm bill.

We revised and redid the July 7 Strauss memo because, in response to Strauss' request for comments, three agencies (Treasury, NSC, and CEA) changed their recommendations, one entirely new option was added at the suggestion of CEA, and several other more minor changes of emphasis or fact were made.

Stu Eizenstat

THE WHITE HOUSE WASHINGTON

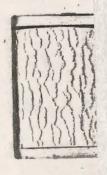
July 29, 1977

Stu Eizenstat

The attached was returned in the President's outbox and is forwarded to you for appropriate handling. Please notify Bob Strauss, Jack Watson, etc.

Rick Hutcheson

RE: DUTY-FREE TREATMENT FOR SUGAR IMPORTS





THE WHITE HOUSE

WASHINGTON

5M- PLS NOTTFY STRAMSS, WATSON etc.

	FOR STAFFING
	FOR INFORMATION
×	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

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	ENROLLED BILL
	AGENCY REPORT
1	CAB DECISION
	EXECUTIVE ORDER
	Comments due to
	Carp/Huron within
	48 hours; due to
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	next dav

ARAGON
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SCHLESINGER
SCHNEIDERS
STRAUSS
VOORDE
WARREN

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

July 25, 1977

long action on form back to me for action

MEMORANDUM FOR:

FROM:

SUBJECT:

STU EIZENSTAT Stu PS fell your Stuff not to despices LYNN DAFT Sum West Straws 94 a west Duty-Free Treatment for Sugar Imports

Of home & approximating

A memorandum from Bob Strauss on this topic is attached. Since that memo was prepared, several agencies have changed their positions. These changes are reflected in the following.

BACKGROUND

Title V of the Trade Act of 1974 provides for a Generalized System of Preferences (GSP) as part of the U.S. commitment to help developing countries expand exports and increase their foreign exchange earnings. The GSP program allows U.S. imports of most manufactured and semi-manufactured products, along with selected agricultural commodities, to enter the United States free of duty when these imports originate in designated beneficiary countries. However, the competitive need criteria of Title V requires that any beneficiary developing country that supplies over \$25 million (to be adjusted annually by the GNP deflator), of U.S. imports of a product in a calendar year must be declared ineligible to receive GSP treatment for that product.

Of the 33 designated beneficiary countries that supply sugar to the U.S. market, 13 countries were declared not eligible for GSP treatment when the program went into effect on January 1, 1976, because imports from these countries had exceeded the \$25 million ceiling. Since then, one additional country has been made eliqible and four countries have been removed from eligibility. Eight of the countries that were excluded from duty-free treatment last year are now eligible for redesignation since they shipped less than the statutory limit (\$29.9 million) applicable to that year. The countries are: Jamaica, Guyana, Panama, Republic of China, Colombia, Argentina, Thailand, and Brazil.

At the time of your earlier decision to reject the International Trade Commission recommendation for quotas on sugar imports, you concurred with the decision of the Trade Policy Staff Committee (TPSC) to reject a petition from the American Farm Bureau Federation that sugar be removed from GSP. You were not asked to consider the redesignation question then because it was felt the decision might disrupt the international sugar negotiations that were about to begin in Geneva. As you know, these negotiations failed to reach agreement and exploratory talks to determine if further negotiations this fall would be fruitful resumed only last week.

Consequently, the State Department seeks an early decision from you on allowing additional developing countries to ship their sugar to us free of duty. They feel that the aid associated with this treatment is very important, economically and politically, to some of the smaller Latin American countries. Unless you choose to designate Brazil for duty-free treatment, the economic effect on the U.S. market would be relatively slight.

Two of the countries, Jamaica and Guyana, are both in a state of economic crisis. GSP beneficiary status for sugar is one of the few areas where limited but immediate assistance could be provided. Both Jamaica and Guyana are small, declining suppliers to the U.S. market, but sugar is an important source of foreign exchange. The State Department estimates that GSP status could result in a potential transfer to these countries through duty-savings of about \$3 million each.

As Table A shows, Guyana, Jamaica, Panama and Thailand on the average have fallen below the competitive need limit of \$29.9 million based on their average shipments during the last five years, whereas the other four eligible countries exceeded these limits. Thus an argument could be made for designating these four and not the other four. However, as Table A also shows, Taiwan, Colombia, and Argentina supplied an amount close to the competitive need limit over the five-year period and would certainly complain if not designated for 1977.

Brazil is the only country of the group of eight clearly out of line as regards amount supplied. Yet, should all the countries but Brazil be designated, Brazil might believe that it was being discriminated against for other foreign policy reasons. Brazil has already made diplomatic representations to us expressing its desire to be redesignated in 1977. The domestic sugar industry has strongly opposed designation of Brazil as a GSP beneficiary country. Brazil

is a large and competitive producer of sugar. It has normally been a principal supplier to the U.S. market and therefore not eligible for GSP benefits. In 1976, however, Brazil did not ship any sugar to the U.S. market, therefore technically becoming eligible for designation as a GSP beneficiary in 1977. Brazil is again expected to become a large supplier of sugar to the U.S. market in 1977.

Domestically, sugar producers and processors are now facing depressed prices. As you know, the Congress is considering several highly protectionistic measures we would like to avoid. There would be strong adverse domestic reaction to allowing more sugar in duty-free.

Thus, the issues are:

- (1) Should a decision to grant duty-free treatment be made now or later?
- (2) If now, which of the eight additional countries now eligible should be designated?

ISSUES AND OPTIONS

(1) Should the decision be made now or later?

A. Make it now.

This option is favored by the Departments of State and Defense for the following reasons:

- -- Would provide limited but important economic benefits immediately to the designated countries, including those in need of assistance.
- -- Would be responsive to urgent political situation in Jamaica and Guyana.
- -- Would eliminate uncertainty for eligible countries.
- -- Would not cause economic difficulties for the U.S. industry (unless Brazil were also designated).
- B. <u>Defer until later</u> (after the London talks and after Congressional consideration of the farm bill).

This option is favored by the Departments of Agriculture, Commerce, Labor and Treasury, STR, NSC, CEA, and DPS for these reasons:

- -- Given the depressed domestic market, further import restrictions on sugar may well prove necessary.
- -- Provides opportunity to assess prospects for International Sugar Agreement (ISA) negotiations (following July meeting of major interested countries). If ISA fails, we may have to consider further unilateral measures to assist the domestic industry.
- -- Does not exacerbate delicate domestic sugar situation or force the industry into immediate attempts for further import relief, including pressure on Congress for override of May 4 sugar decision (an effort now being led by Senator Dole).
- -- Economic benefit to designated countries is small in terms of their overall economic situation.

DECISION

Now (State and Defense)

Defer (Agriculture, Commerce, Labor, Treasury, STR, NSC, CEA, and DPS)

If you decide to make the decision now, you must also decide which countries are to be designated.

- Which of the eight additional countries now eligible for duty-free treatment should be designated?
 - A. Designate none.

This option is supported by Agriculture, Commerce, Labor, Treasury, and STR, if the decision is made now.

PROS

- -- Avoids an adverse reaction from the domestic sugar industry.
- -- All eight countries will still be competitive in the U.S. market without duty-free status.

CONS

- -- There would be adverse foreign policy implications.
- -- GSP on sugar becomes less meaningful since there are comparatively few countries benefitting from duty-free status.

B. Designate Jamaica, Guyana, Thailand, and Panama

Favored by State and Defense, if you decide now.

PROS

- -- U.S. would reap important foreign policy benefits.
- -- There would be only a marginal economic effect on the U.S. sugar industry.
- -- These four countries can benefit from designation.

CONS

- -- Would be resisted by domestic industry, though possibly less strongly than would designation of eight countries.
- -- Discrimination against other suppliers (particularly Colombia and Argentina) would be difficult to justify, and would probably be subjected to severe criticism.
- -- Sets bad precedent for GSP program because the decision seems political rather than based on economic guidelines.

C. Designate all eight countries.

This option is favored by the NSC, <u>if</u> you decide now. Zbig further suggests that the TPSC develop a formula to determine eligibility, perhaps using a three-year moving average, that would be less discriminatory and less subject to abuse.

PROS

- -- Does not discriminate against any country.
- -- These countries would gain economically and foreign relations would be improved.
- -- The 1975 prices, which resulted in exclusion of these countries from preferences, was extraordinarily high, and not representative.

CONS

- -- Encourages big suppliers like Brazil to manipulate the program to their advantage, requalifying products by withholding supplies from our market.
- -- Grants benefits to suppliers which are competitive, and don't need the program to sell sugar in our market.
- -- Would result in strong criticism from the domestic industry. Could be a catalyst for industry/Congressional action including override attempt.
- -- If significant amounts of sugar are granted GSP, the protection for the U.S. industry provided by the tariff would be reduced.

D. Designate seven - exclude Brazil

This option is favored by CEA and the Domestic Policy Staff.

PROS

- -- Brazil should not qualify for GSP by any meaningful standard. It is only technically eligible because of one atypical year, 1976, in which it supplied no sugar to the U.S. market.
- -- If designated this year, imports from Brazil are expected to be very large ... well above the statutory limit ... thereby discrediting the purpose of the GSP approach.

- -- Would tend to encourage manipulation of the program alternating years of no shipments to attain eligibility with very large duty-free shipments once designated.
- -- Though domestic sugar interests would prefer no duty-free imports, they are particularly concerned over the entry of large quantities from Brazil.

CONS

-- Brazil might feel it is being discriminated against for other foreign policy reasons.

DECISION

 Designate none. (Agriculture, Commerce, Labor, Treasury and STR)
Designate Jamaica, Guyana, Thailand, and Panama. (State and Defense)
 Designate all eight (NSC)
Designate seven - exclude Brazil (CEA and DPS)

THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS WASHINGTON

MEMORANDUM FOR THE PRESIDENT

1 7 JUL 1977

FROM : Ambassador Robert S. Strauss

SUBJECT: Duty Free Treatment for Sugar Imports

The State Department and the National Security Council seek an early decision from you on allowing additional developing countries to ship their sugar to us free of duty. Unless you choose to name Brazil for duty free treatment, the economic effect on our market of any action will be relatively slight. The question that is presented to you is a balancing of domestic political and foreign policy interests.

The domestic sugar refiners and producers are in poor financial condition due to very depressed prices. Our program to give them assistance has proven inadequate to date. Secretary Bergland, Under Secretary White, Assistant Secretary Julius Katz of State and I have met and will meet again today to seek new measures to cope with the current domestic and political sugar problems. There will be a strong adverse domestic reaction to allowing more sugar in duty free.

On the other hand, I am told by the Department of State that the aid contained in giving duty free treatment for sugar to some of the smaller Latin American countries is very important to them, economically and politically.

Issues

- (1) Should a decision to grant duty free treatment be made <u>now</u> or <u>later?</u>
- (2) If now, how many of the eight countries which are eligible should be designated?

Background

You decided on May 4 to reject the U.S. International Trade Commission (USITC) recommendation for quotas on sugar imports in favor of a domestic support program and strong U.S. efforts to negotiate a workable International Sugar Agreement

that would put a floor under the price of sugar. You also concurred that sugar continue to receive duty-free treatment from the developing countries then receiving it under the Generalized System of Preferences (GSP).

Since your May 4 decision, the domestic sugar price has dropped sharply, due in part to the suspension of negotiations for an International Sugar Agreement. Even with the two cents/pound support payment which has been authorized, domestic sugar producers will realize less of a return than we believe necessary to cover the production costs of efficient sugar producers and maintain a viable domestic sugar industry.

No decision was made in May as to whether to designate eight additional countries that were automatically removed in 1976 from duty free treatment on sugar because they each shipped more than \$26.6 million to the U.S. in 1975, the statutory limit applicable at that time.

The countries which can now be considered for designation are: Jamaica, Guyana, Panama, Republic of China, Colombia, Argentina, Thailand, and Brazil. In 1976, each of these countries shipped less than the statutory limit (\$29.9 million) applicable to that year.

The interagency Trade Policy Committee group considering the sugar issue in May felt that it would be best to defer a decision until the completion of the negotiations in Geneva for an International Sugar Agreement (ISA). These negotiations failed to reach an agreement last month. A meeting in London the latter half of July will determine if further negotiations this fall would be fruitful (there is a 50/50 chance of success).

Agency Positions

The Departments of Defense and State, and the National Security Council recommend a decision now on GSP designation.

The Departments of Agriculture, Commerce, Labor, and Treasury, STR, and the Council of Economic Advisors recommend that a decision be <u>deferred</u>.

Agency preferences regarding the number of countries to be designated in the event of a decision are detailed below.

Considerations on Choice of Countries to Designate

Sugar is an important foreign exchange earner for the eight potential beneficiary countries.

Two of the countries, Jamaica and Guyana, are both in a state of economic crisis. GSP beneficiary status for sugar is one of the few areas where limited but immediate assistance could be provided. Both Jamaica and Guyana are small, declining suppliers to the U.S. market, but sugar is an important source of foreign exchange. In 1975, sugar accounted for 50% of total Guyanese and 20% of total Jamaican exports. The State Department estimates that GSP status could result in a potential transfer to these countries through duty-savings of about \$3 million each. It is unlikely that these supplying countries would increase their sales to any significant degree to the U.S., or they would jeopardize their GSP status.

As Table A shows, Guyana, Jamaica, Panama and Thailand on the average have fallen below the competitive need limit of \$29.9 million based on their average shipments during the last five years, whereas the other four eligible countries exceeded these limits. Thus an argument could be made for designating these four and not the other four. However, as Table A also shows, Taiwan, Colombia, and Argentina supplied an amount close to the competitive need limit over the five-year period and would certainly complain if not designated for 1977.

Brazil is the only country of the group of eight clearly out of line as regards amount supplied. Yet, should all the countries but Brazil be designated, Brazil would believe that it was being discriminated against for other foreign policy reasons. Brazil has already made diplomatic representations to us expressing its desire to be redesignated in 1977. domestic sugar industry has strongly opposed designation of Brazil as a GSP beneficiary country. Brazil is a large and competitive producer of sugar. It has normally been a principal supplier to the U.S. market and therefore not eligible for In 1976, however, Brazil did not ship any sugar GSP benefits. to the U.S. market, therefore technically becoming eligible for designation as a GSP beneficiary in 1977. Brazil is again expected to become a large supplier of sugar to the U.S. market in 1977.

Decision Options

I. Whether decision should be made now

PROS (Favoring immediate decision)

- -- Would provide limited but important economic benefits immediately to the designated countries, including those in need of assistance.
- -- Would be responsive to urgent political situation in Jamaica and Guyana.
- -- Would eliminate uncertainty for eligible countries.
- -- Would not cause economic difficulties for the U.S. industry (unless Brazil were also designated).

CONS (Favoring deferring the decision)

- -- There is no urgency for a decision now. In fact, further import restrictions on sugar may well prove necessary.
- -- Economic benefit to designated countries is small in terms of their overall economic situation.
- -- Provides opportunity to assess prospects for International Sugar Agreement (ISA) negotiations (following July meeting of major interested countries). If ISA fails, we may have to consider further unilateral measures to assist the domestic industry.
- -- Does not exacerbate delicate domestic sugar situation or force the industry into immediate attempts for further import relief, including pressure on Congress for override of May 4 sugar decision (an effort now being led by Senator Dole).

II. Number of Countries to be Designated

A. <u>Designate none</u>. (Supported by STR, Commerce, Agriculture, and Labor if decision now.)

PROS

- -- Avoids an adverse reaction from the domestic sugar industry.
- -- All eight countries will still be competitive in the U.S. market without duty-free status.

CONS

- -- There would be adverse foreign policy implications.
- -- GSP on sugar becomes less meaningful since there are few countries benefitting from duty-free status.
- B. <u>Designate Four</u> -- Jamaica, Guyana, Thailand, Republic of China. (Supported by State and Defense if you decide now.)

PROS

- -- U.S. would reap important foreign policy benefits.
- -- There would be only a marginal economic effect on the U.S. sugar industry.
- -- These four countries can benefit from designation.

CONS

- -- Would be resisted by domestic industry, though possibly less strongly than would designation of eight countries.
- -- Discrimination against other suppliers (particularly Colombia and Argentina) would be difficult to justify, and would probably be subjected to severe criticism.
- -- Sets bad precedent for GSP program because the decision seems political rather than based on economic guidelines.

C. <u>Designate all Eight</u>. (Supported by the National Security Council, Treasury, and the Council of Economic Advisers if you decide now.)

PROS

- -- Does not discriminate against any country.
- -- These countries would gain economically and foreign relations would be improved.
- -- The 1975 prices, which resulted in exclusion of these countries from preferences, was extraordinarily high, and not representative.

CONS

- -- Encourages big suppliers like Brazil to manipulate the program to their advantage, requalifying products by withholding supplies from our market.
- -- Grants benefits to suppliers which are competitive, and don't need the program to sell sugar in our market.
- -- Would result in strong criticism from the domestic industry. Could be a catalyst for industry/ Congressional action including override attempt.
- -- If significant amounts of sugar are granted GSP, the protection for the U.S. industry provided by the tariff, which is in addition to the stability of an eventual ISA price, would be reduced.

Decision

Designate	none
Designate	four
Designate	eight
Defer deci	ision
Other	

U. S. SUGAR IMPORTS FROM POTENTIAL GSP BENEFICIARY COUNTRIES

COUNTRY	1972	1973	1974	1975	1976	5 yr. Avg.	Avg. w/o High Yr.	Avg. Low Yr
COUNTRY	1372	13/3	13/1	1373	1370	2149.	112911 22 0	2011 22
Brazil								
Thousand MT	569	500	787	201	0	412	318	514
Million \$	96	96	402	100	0	139	73	173
Taiwan								
Thousand MT	86	50	80	139	77	87	72	95
Million \$	16	10	31	102	24	37	20	43
Colombia								
Thousand MT	74	68	96	126	102	93	85	99
Million \$	13	14	44	60	29	32	25	36
Argentina								
Thousand MT	61	75	95	100	87	83	81	89
Million \$	10	15	60	46	25	31	29	36
Guyana								
Thousand MT	78	34	99	95	43	70	63	81
Million \$	14	7	43	43	13	23	19	28
Panama								
Thousand MT	36	46	26	87	86	56	49	61
Million \$	6	9	23	52	27	23	16	28
Jamaica								
Thousand MT	42	0	42	56	64	41	37	51
Million \$	7	0	39	34	20	20	16	25
Thailand								
Thousand MT	17	17	19	112	63	45	29	53
Million \$	3	3	6	45	20	15	8	18

THE WHITE HOUSE WASHINGTON
July 27, 1977

The Vice President Frank Moore Jack Watson Bert Lance Charlie Schultze Zbig Brzezinski Bob Strauss

The attached is for your

information.

Rick Hutcheson

RE: DUTY-FREE TREATMENT FOR SUGAR IMPORTS

THE WHITE HOUSE WASHINGTON

please make a copy and send to me

thanks -- susan clough

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

30 July 1977

MEMORANDUM FOR THE PRESIDENT

FROM: RICK HUTCHESON Beck Summer for ZH

SUBJECT: Status of Presidential Requests

EIZENSTAT

- (2/16) Prepare a draft message to Congress on the opportunity for regulatory reform and consult with the Cabinet -- In Progress, (expected in 2 weeks).
- 2. (6/3) Can we issue instructions precluding dual compensation limitations for retired military officers? -- <u>In Progress</u>, (with the President's Commission on Military Compensation).
- 3. (6/3) Advise on memo concerning Patents and Independent Research and Development. (7/25) The President's basic orientation is toward government ownership of patents on government contracts -- In Progress, (expected 8/12).
- 4. (6/15) (and Kreps) Comment on the letter from Senators Magnuson and Hollings on the Nation's ocean program -- In Progress, (memo from Kreps has been received proposing Commerce study; it is being circulated among Senior Staff; Stu will probably propose a PRM on this, (expected 8/1).
- 5. (7/12) Prepare a letter from the President to the Congress acknowledging the need for accountability but urging joint assessment and elimination of outdated or unnecessary reports -- In Progress, (with Stu and OMB, expected 8/5).
- 6. (7/18) (Confidential) Check with the Attorney General and comment on the Morris Dees memo concerning the death penalty in the U.S. -- In Progress, (expected 8/5).

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- 7. (7/18) Expedite -- concerning the Califano memo on the Labor-HEW Appropriations Bill -- In Progress.
- 8. (7/20) Have the Moynihan statement on "The Federal Government and the Economy of New York State" assessed as we have promised -- Done.
- 9. (7/21) (and Fallows) Consult with Frank Moore and draft comments for the Urban League speech based on this; keep it very brief -- Done.
- 10. (7/21) Meet with Rodino's staff right away, ask the Attorney General to meet with Rodino early next week, and then the President will meet with him on the undocumented aliens policy -- Done.
- 11. (7/24) (and Bourne) Go over the President's message on drug abuse once more and make the changes as indicated -- In Progress.
- 12. (7/26) See the President regarding the Blumenthal memo on the proposed schedule for tax reform -- Done.

JORDAN:

- 1. (2/25) Let's firm up the Renegotiation Board -- In Progress.
- 2. (5/15) (and the Vice President, Moore) Work out the judicial selection committee in states with no Democratic Senators; let Democrats do it. Setting up top flight selection committee comes first -- In Progress.
- 3. (7/18) Why are we deciding which state gets judge, this is not merit selection? -- <u>Done</u>, (in 7/26 meeting with Bell, Lipshutz and Jordan).
- 4. (7/20) Is the Sheldon appointment to the FPC o.k. with consumers? -- Done.
- 5. (7/28) Give the President an updated report concerning appointments/vacancies on the Circuit, District, and Special Courts before Monday's Cabinet Meeting -- In Progress, (expected 7/31).
- 6. (7/28) Have Charlotte Reid come by to see the President regarding the FCC Chairmanship -- In Progress, (to be scheduled the week of 8/15).

LIPSHUTZ:

- 1. (2/18) (and Bell) You know of the President's promise to make the Attorney General independent of White House influence and control. (7/7) Assess the President's campaign statements on the Attorney General. It was Bell's idea to begin with -- In Progress, (expected 8/8).
- 2. (4/5) Disposition of papers of White House Staff members -- Done. (7/18) Disposition of Presidential papers -- In not done Progress, (expected 8/8).
- 3. (6/20) (and Eizenstat) Let the President review and then talk with the Attorney Genral about draft handgun control legislation -- Done.
- 4. (7/15) Let the President know if changes are subject to veto, concerning memo on War Powers Resolution -- <u>In</u> Progress, (expected 8/3).
- 5. (7/15) Let the President know the minimum time required for routine sale approval of C-130's, regarding letter from Lt. Governor Miller -- <u>In Progress</u>, (expected 8/5, previously expected 7/27).
- 6. (7/26) See the President regarding the letter to Senator Inouye on the Intelligence Oversight Board -- Done

BRZEZINSKI:

- 1. (4/29) (and Brown) Prepare procedures to expedite reclassification of the Viet Nam MIA's. Submit to the President; he will then decide the date for the DOD announcement, keep on schedule -- Done.
- 2. (6/1) (Confidential) Vance and Bell should discuss Visa Policy with Eastland and Rodino, perhaps McGovern Amendment. Then the President will see the Congressional leaders -- In Progress, (with State).
- 3. (6/4) (and Chip, Bourne and Eizenstat) Get together and let the President know what we can do about world hunger -- In Progress, (expected 8/5, previously expected 7/29).

- 4. (7/11) (and Brown) Keep the President informed about certification of qualifications of appointees to non-career jobs -- In Progress, (with DOD and Civil Service Commission, expected 8/5).
- 5. (7/13) (and Brown) (Secret) Please comment on the need for both the Tomahawk and the A Force ALCM -- In Progress, (with Brown, status report expected 8/2).
- 6. (7/1) (and Lance) (Secret) Give the President a summary of the cost effectiveness of the shuttle versus single launch rocket; go slow on future commitments. Also, give the President a status report of procurement schedules and obligations -- In Progress, (expected 8/2, previously expected 7/27).
- 7. (7/21) (and Vance) Please continue to pursue the Treaty of Tlatelolco -- In Progress.
- 8. (7/25) Does your memo mean that everyone on you staff would be equal to an Assistant Secretary? If so, the answer is "no" -- In Progress, (expected 8/3).
- 9. (7/28) Assess briefly the number of federal employees abroad, the current number seems excessive -- Done.

CALIFANO:

 (7/11) Move on key test cases regarding medicaid fraud; Georgia working closely with project integrity staff --Done.

2. (7/20) What are we doing/planning about pregnancy prevention plan? -- In Progress.

HARDEN:

1. (7/15) Route your memo on the administrative support unit routinely so that the President can receive other comments -- In Progress.

Lone

MOORE:

1. (7/15) Have someone from State call Senator Deconcini early Friday morning to check language -- Done.

done

 (7/28) The President thinks that soybeans should be included in set-aside constraints in the farm legislation --In Progress.

SCHLESINGER:

- 1. (6/10) (Personal and Confidential) Please comment on the GSA estimate concerning the Department of Energy location; joint proposal due to the President -- In Progress, (plan of implementation expected 8/11, previously expected 7/29).
- 2. (7/24) Let the President see a copy of your reply to the letters from Congresswoman Mikulski -- Done.

done

3. (7/26) (and Eizenstat) The President understands that oil imports are increasing. Outline the options we have to address this problem, the degree of effectiveness, and the possible adverse consequences -- In Progress.

LANCE:

 (7/11) Our emergency loan/grant criteria are too lax; check with Secretary Bergland -- Done, (in report from McIntyre dated 7/21).

ork with Sam Brown

 (7/24) Have Jim and/or Harrison work with Sam Brown on the Citizen's Review Group -- In Progress.

POWELL:

1. (7/23) Publicize the letter from Bill Miller regarding HIRE -- jobs for veterans -- Done.

Love

HUGH CARTER:

1. (7/25) Send 40-50 copies of the weekly mail report and the major issue tally regarding Young's remarks concerning looters -- Done.

done

PRESS:

1. (7/25) Let the President know what would happen if an RTG ruptured -- In Progress, (expected 8/2).

THE WHITE HOUSE

WASHINGTON

July 29, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT

SUBJECT:

Domestic Policy Staff Weekly Status Report

NATURAL RESOURCES

Strip Mine Bill: We are working with Frank Moore's staff on the signing ceremony on August 3. The citizens who worked on the bill are being invited. We are also working with Interior on the bill's implementation.

Water Policy Review: Regional public hearings are scheduled from July 28 through August 2. We are working with Interior, OMB, and CEO.

Dam Safety: We are working with OSTP, OMB, Interior and the Corps of Engineers on a proposal for federal inspection of high-risk non-federal dams. Memo to you within a few weeks.

Oceans Policy: We are working with Secretary Kreps on a proposal for an interagency study -- a strong candidate for a PRM. Memo to you soon.

Clean Air Act: The conferees held their fourth meeting on the 27th, with sessions scheduled daily for all of this week. Progress is reported on some of the major issues, but auto emissions remains unresovled. A compromise is being discussed at the staff level which may lead to resolution.

Federal Water Pollution Control Act: The legislation has been reported to the floor and action is hoped for before August recess. We are working with EPA to put pressure on the House to schedule hearings immediately following the August recess, and to resolve the issue of sewage treatment plant funding before the end of the fiscal year.

ENERGY

Oil Imports: At your request, we are working with Schlesinger's staff to prepare a memo for you on this problem.

Clinch River Breeder Reactor: A strategy meeting to prepare for the House vote after the August recess has been held with Frank Moore's staff and public interest groups. Another strategy session will be held with Congressional sponsors next week at the White House.

Alaskan Natural Gas: On July 26, the first preliminary session with the Canadians was held to define mutual concerns and identify possible areas of compromise in light of the Canadian National Energy Board (NEB) decision. A final analysis of NEB impacts is being completed and a decision memo for you is in drafting process.

National Energy Plan: House Ad Hoc Committee action is completed. The revenue impact is being analyzed and discussions are continuing on how to handle the gasoline tax. A Schlesinger memo came to you yesterday.

AGRICULTURE AND RURAL DEVELOPMENT

Farm Bill: We are working with USDA, OMB and CEA to prepare a list of items Secretary Bergland will seek in conference. About ten of these will be described as "musts" if a recommendation for veto is to be avoided.

National Forest Timber Bidding Procedure: A decision memo is on the way.

<u>Drought Assistance</u>: USDA has initiated an evaluation of these programs and will forward recommendations within two or three weeks.

Agricultural Conservation Program: A memorandum for you to send to Secretary Bergland on this topic is on the way.

ECONOMICS AND BUSINESS

Tax Reform: We continue to consult with Treasury, CEA and outside experts such as Joe Pechman and Stanley Surrey.

Trade Deficit: We are preparing a memo for you summarizing papers presented by Treasury and Commerce. We have discussed this at the EPG.

Trade Adjustment Assistance: We are working with Commerce, STR, and the agencies on a general TAA program. We will have a memo to you soon.

LABOR

Humphrey-Hawkins: We have presented a draft alternative bill to Humphrey and Hawkins and are waiting for their response.

Independent R & D: At your request, an assessment will be in
to you soon.

COMMUNICATIONS

Telephone Interception: We have worked with NSC and the agencies on a policy to deal with Soviet interception of the domestic telephone system. The report has been submitted to the NSC.

<u>Public Broadcasting</u>: We have worked out proposals for reauthorization legislation with OMB and HEW, and the decision memo is on its way to you.

International Maritime Satellite: The interagency review has been completed on OTP's proposed legislation to charter a private entity to represent the U.S. in this satellite system. The legislation will go to the Hill shortly.

CIVIL RIGHTS AND JUSTICE

<u>Undocumented Aliens</u>: We will have a message to Congress ready for next week.

Handguns: We will review the draft legislation with Justice,
OMB and others.

<u>Class Actions</u>: Justice is developing legislation to improve access to Justice through class actions. We have met with them to discuss their proposals.

Morris Dees Memo on Death Penalty: We will meet with Justice and comment on the memo.

HEALTH

National Health Insurance: The Advisory Committee on National Health Insurance is meeting today and tomorrow in Wisconsin. The next trip will be to Canada to see the Canadian health system on September 8 and 9.

Alcoholic Beverage Labeling: OMB has proposed a compromise under which litigation would be halted and FDA and Treasury would work together to require limited labeling.

Rural Health Clinics Bill: A subcommittee of the House Ways and Means Committee has reported out legislation to provide Medicare reimbursement to physician extenders in rural clinics. There is some possibility that the bill will be expanded to include Medicaid reimbursement to physician extenders in rural clinics. We are in favor of both proposals.

CIVIL SERVICE MATTERS

Part-Time Employment: Along with OMB and the Civil Service Commission, we are studying how part-time federal employment can be expanded. A decision memo to you shortly.

Hatch Act Reform: Hearings are being held in the Senate. We are working with the Civil Service Commission and Senate staff on policy development.

CONSUMER MATTERS

Agency for Consumer Protection: We are working with Esther Peterson, OMB and Frank's staff to develop strategy for initiating House action.

Class Actions: We are working with Esther Peterson and Justice to review recently-introduced consumer class action bills and to develop an administration position. We are working with Esther Peterson, Frank's staff and Justice to help enact the FTC Improvements Act, which authorizes class actions to enforce FTC rules.

INTEGRITY AND OPENNESS MATTERS

Executive Order on Logging: Memo prepared by Justice has been reviewed. Justice draft has been redrafted by the Executive Office Working Group and circulated for comment to agencies. Target date is July 30.

Public Financing of Congressional Campaigns: We are working with the Vice President's staff, Frank's staff and Senate staff on policy and legislative strategy for Senate floor votes on cloture and substance.

Lobby Reform: House committee is in mark-up. We have sent proposed language on executive branch lobbying developed with OMB and Justice to the Hill. We are working with Justice on Senate testimony to be given August 2.

Revision of Security Classification System: The interagency task force has completed its work. We are drafting a decision memo for you along with NSC.

Public Officials Integrity Act: We are working with Frank's staff, Justice and CSC to assess the situation in the House.

REGULATORY REFORM PROJECTS

Regulatory Reform Agenda: The memo that was drafted by the Regulatory Working Group is complete and will be forwarded to you as soon as last details are agreed to by Bert Lance and Charlie Schultze.

Surface Transport Reform: Following your meeting with Secretary Adams, a task force is studying and preparing a decision memo for you on surface transport reform options. The DOT memo was sent to OMB and circulated to other agencies on July 25. Target date for our memo to you is August 12.

Airline Regulatory Reform: We are continuing to assist the Senate committee in revising the air bill, and we have begun to meet with interested agencies to discuss whether statutory labor protection provisions are necessary.

OSHA Reform: We are working with OMB, CEA and DOL to establish an interagency task force as approved by you. A suggested public announcement went in to you on the 27th. We are now looking for a competent staff director.

Coordination of Toxic Substances Regulation: CEQ has assembled an Interagency Task Force for long-term review of the area. The four major toxics regulatory agencies (EPA, OSHA, CPSC, FDA) have begun a major effort to coordinate their activities. Agency heads met on July 22 to agree on the specifics of the program. They have drafted a report for you and plan to announce their effort in a press conference next week.

Regulation of Housing Construction: We have asked HUD to appraise a recent study showing that federal, state and local regulation adds \$8,000 to the price of a \$50,000 home, and to explore reform concepts. No target date yet.

Financial Institutions Regulation: We are working with Treasury, HUD, OMB, and CEA to develop a format for approaching the reform agenda in this area beyond NOW account legislation now on Capitol Hill.

EDUCATION

Comprehensive Education Policy: We are working with HEW officials to develop a coordinated and comprehensive education policy. All agencies have been asked to identify their educational programs.

HUMAN RESOURCES

Welfare Reform: We will work with HEW, DOL, OMB and CEA to coordinate preparation of the options memo which you requested and the Message.

Foster Care Reform: The reform proposal of the Administration has been substantially weakened by the Finance Committee. We are working with HEW and child welfare groups to attempt to insert as much as possible of the Administration proposal into the Committee bill and organize for amendments on the Senate floor.

Social Security: The Finance Committee is clearly against any form of general revenue financing of social security. They are considering a staff proposal to increase revenues by moving the Administration's proposed tax increases forward several years. We are working with HEW to preserve major features of the Administration proposal in order to gain leverage in the House and on the floor.

Indochinese Refugees: The State Department task force has begun to meet to develop an overall policy toward refugees in Indochina. We are working with this interagency group to insure that the policy meshes with domestic capabilities to handle any additional resettlement in the U.S.

WOMEN

We are working with OMB and the Civil Service Commission Task Force to determine the law and rule changes that would respond to equal opportunity and sex discrimination concerns of women.

HOUSING AND URBAN DEVELOPMENT

Urban Economic Development Financing Assistance: We are meeting with Treasury, HUD, Commerce and OMB to review proposals for a new urban development program; specific recommendations to be available by early Fall.

Urban Policy Group: We are meeting with the relevant agencies this week to expedite group's agenda and timetable.

McKinney Nomination: Confirmed 12 to 3 by Senate Committee.

MISCELLANEOUS

Privacy Protection Study Commission: A memo to the relevant agencies has been sent out for their views. Comments due on August 22.

D. C. Task Force: A memo on the D.C. Task Force recommendations will be in to you next week.

Budget: We are continuing to hold meetings with the agencies, along with OMB, to discuss their legislative programs.

Executive Branch Annual Reports: We are working with OMB to prepare a letter to Congress.

Labor-HEW Appropriations Bill: Per your request to me, Secretary Califano has met with the House and Senate conferees and has secured significant reductions.

THE WHITE HOUSE WASHINGTON

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THE WHITE HOUSE WASHINGTON
August 1, 1977

Susan -

Per your request, attached is a copy of the Status of Presidential Requests memo.

Rick Hutcheson

THE PRESIDENT HAS SERV

THE WHITE HOUSE

WASHINGTON

July 29, 1977

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MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE

I talked with Bob Bergland today. He is meeting today at noon with Foley and Talmadge to go over the bill. I suggested that he telephone you after the meeting to discuss their attitudes and to get your feelings on the 6 or 8 tough items that will face the conferees.

Electrostatic Copy Made for Preservation Purposes

washington
July 29, 1977

Stu Eizenstat

The attached was returned in the President's outbox. It is forwarded to you for appropriate handling.

Rick Hutcheson

RE: RECOMMENDATION FOR AN
EMERGENCY DECLARATION DUE
TO SEVERE STORMS - WISCONSIN

THE PRESIDENT HAS STEN.

Electrostatic Copy Made for Preservation Purposes THE WHITE HOUSE

WASHINGTON

July 27, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT She

SUBJECT:

Recommendation for an Emergency Declaration Due to Severe Storms

Wisconsin

In the attached letter, Secretary Harris recommends that you grant an emergency declaration for the State of Wisconsin as a result of a supercell thunderstorm which struck a tencounty area in the northcentral region. It was reported that there was extensive damage to public, private, and agricultural property, and that forest lands in the area sustained extensive damage.

It has been determined that the assistance provided by the Small Business Administration, the Farmers Home Administration, the Rural Electrification Administration, and the Agricultural Stabilization and Conservation Service would be adequate to meet the needs of individuals without declaring a major disaster declaration. There is however, a significant threat resulting from the downed timber and serious fire potential. Timber removal is estimated at \$4.7 million and could be provided by the Federal Government under the authorities of the Disaster Relief Act of 1974.

We concur with Secretary Harris' assessment and recommend that you grant the declaration.

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THE WHITE HOUSE WASHINGTON

Mr. President:

On July 24th you asked Jim Schlesinger to give you a copy of his response to Congresswoman Mikulski; a copy of his response is attached.

Rick (wds)

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

July 29, 1977

Dear Barbara:

I am replying to your letter to the President of July 20, transmitting your amendment to the National Energy Plan. Your suggested program led to a successful amendment that would provide funds for local governments to conduct energy audits and to be eligible to technical assistance.

We appreciated the opportunity to work with you on this program.

Sincerely,

James R. Schlesinger

Assistant to the President

Honorable Barbara Mikulski U.S. House of Representatives Washington, D.C. 20515

Electrostatic Copy Made for Preservation Purposes

THE WHITE HOUSE WASHINGTON

July 25, 1977

Jim Schlesinger

The attached was returned in the President's outbox. It is forwarded to you for appropriate handling.

Rick Hutcheson

cc: Frank Moore

RE: CONGRESSWOMAN MIKULSKI'S AMENDMENT TO ENERGY PLAN

BARBARA A. MIKULSKI

30 DISTRICT, MARYLAND

COMMITTEES

INTERSTATE AND FOREIGN COMMERCE

SUBCOMMITTEES: TRANSPORTATION AND COMMERCE COMMUNICATIONS

MERCHANT MARINE AND FISHERIES

SUBCOMMITTEES: MERCHANT MARINE COAST GUARD OCEANOGRAPHY

THE PRESIDENT HAS SEEN.

Congress of the United States

House of Representatives

Washington, B.C. 20515

1977 JUL 20 AN 8 20 D 2121 EASTERN AVENUE

IN REPLY PLEASE REFER TO OFFICE INDICATED

- 1004 LONGWORTH BUILDING WASHINGTON, D.C. 20515 (202) 225-4016
- 1414 FEDERAL BUILDING BALTIMORE, MARYLAND 21201 (301) 962-4510

BALTIMORE, MARYLAND 21231 (301) 962-4481

To Schlesinger of B Let me see y your reply

Hear Mr President &

Here is a description of rationale of my amendment to your Energy Blan

dapprecente you giving the matter your consideration I look forward to leaven your reaction

> 5 marchy Barbara

BARBARA A. MIKULSKI

30 DISTRICT, MARTLAND

COMMITTEES:
INTERSTATE AND
FOREIGN COMMERCE

EUBCOMMITTEES!
TRANSPORTATION AND
COMMERCE
COMMUNICATIONS

MERCHANT MARINE AND

SUBCOMMITTEES: MERCHANT MARINE COAST GUARD OCEANOGRAPHY Congress of the United States
House of Representatives
Washington, D.C. 20515

July 18, 1977

IN REPLY PLEASE REFER TO OFFICE INDICATED

- 1004 LONGWORTH BUILDING X WASHINGTON, D.C. 20315 (202) 225-4016
- 1414 FEDERAL BUILDING
 BALTIMORE, MARYLAND 21201
 (301) 962-4510
- 2121 EASTERN AVENUE BALTIMORE, MARYLAND 21231 (301) 962-4481

MEMORANDUM FOR:

FROM:

SUBJECT:

The President

Congresswoman Barbara A. Mikulski

Amendment to Title I, Part C

The proposed part authorizes a 4-year, \$317.5 million program of matching grants to States for energy conservation in local public facilities. Only those jurisdictions receiving federal revenue sharing are eligible for these funds. The program would be implemented in three phases:

.... <u>Preliminary Energy Audits</u> to assess the need for energy conservation within the several States, identify maintenance and operating procedures, the modification of which could result in conservation of energy, and pre-qualify facilities that need capital investment for energy conservation measures;

.... <u>Technical Assistance Programs</u> to specify the energy savings that are likely to result from major investments in energy conservation measures and to promote energy efficient land use planning and building codes;

for the design, acquisition, and installation of energy conservation measures.

The monies will be allocated among the three categories in the following way:

	FY 78	FY 79	FY 80	FY 81	TOTAL
Preliminary Energy Audits	15.0	2.5	-	-	17.5
Technical Assistance Programs	30.0	20.0	10.0	-	60.0
Energy Conservation Projects	-	70.0	80.0	90.0	240.0
	45.0	92.5	90.0	90.0	317.5

After a ten day district work period, during which the energy crisis and energy plan were discussed before town meetings and other neighborhood gatherings, the need for this additional program crystalized. The amendment is crucial for the following reasons:

....A national energy program cannot be conprehensive without involving local government, which is inseperable from the national decision making process.

.... A local government conservation program will result in significant energy savings, as much as fifty thousand barrels of oil per day.

.... Not enough of the public believes that a genuine energy crisis exists. Municipal involvement will serve as an example on the neighborhood level that the energy plan is a sound approach to a real problem.

.... Federal assistance reduces the local trade-off between social programs and increased taxes.

.... Recessionary crisis and other restraints such as prohibition

of deficit budgets justifies inclusion of local government in the school and health care facility program.

.... Professional expertise is not available in present local administrative set-ups, but is crucial for effective conservation.

.... Technical assistance can result in some cost-free changes to improve energy efficiency.

.... Initial incentives are necessary to promote long term energy conscious planning at the local level.

THE WHITE HOUSE

WASHINGTON

July 30, 1977

NOTE TO RICK HUTCHESON

Attached, pursuant to the President's request "to see a copy of the reply" is a copy of Jim Schlesinger's response to Congresswoman Barbara Mikulski.

Frank R. Pagnotta

Attachments

THE WHITE HOUSE

WASHINGTON

July 27, 1977

FAREWELL PHOTOGRAPH WITH GEORGE PARKER

Friday, July 29, 1977 12:55 p.m. (2 minutes) The Oval Office

From: Hugh Carter

I. PURPOSE

Brief photo session with George Parker upon his retirement as Chief of White House Messenger Service

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. <u>Background</u>: George is retiring after more than 26 years of service at the White House. He has been Chief of Messengers for the last 10 years.

He has been married for forty years and has 5 children and six grandchildren.

B. Participants: George Parker

Marguerite Parker (wife)
Annette Parker (daughter)

George, Jr. (son)

Loretta Humber (daughter)
Raymond Humber (son-in-law)
Vernell Waters (daughter)
Reginald Waters (son-in-law)
Gwendolyn Jones (daughter)

Hugh Carter - staff

C. Press Plan: White House Photographer only.

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Anti-US - Panama Korea 4 yn goals N/S 1 -> + MIN Confident Boycott Bribery SALT-CTB-Hum RTS Int Coop Arms Sala Non halif TIME - 7/27/27 5 Africa M East VN-PRC. 8 speecher 15 Visitors Summit NATO 81 Grunewald. Sidey Talbott - Ogden In tel L Amer

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